

Idaho Grain Market Report, October 24, 2019—NEW CROP PRICES

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Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, October 23, 2019. Barley prices in \$/Cwt. And wheat prices in \$/bu.

	Barley (Cwt.) FEED 48 lbs or better	MALTING Open Market Malting	Wheat (bu.) Milling #1 SWW	#1 HRW 11.5% Protein	#1 DNS 14% Protein	#1 HWW
Rexburg / Ririe	6.00-7.00		4.90	4.92	5.36	4.75-4.87
Idaho Falls		8.30-8.33	4.80	4.70	5.15	4.80
Blackfoot / Pocatello		7.06	4.80	4.70	5.15	4.80
Grace / Soda Springs	7.00		4.85	4.61	5.10	4.61
Burley / Rupert	6.75		4.61	4.35	5.07	4.58
Twin Falls / Buhl Jerome / Wendell	6.00-6.75		4.80-4.87	4.50	5.13	4.50
Nampa / Weiser			NA			
Nezperce / Craigmont	5.56		5.20	4.88	6.17	
Lewiston	6.08		5.46	5.14	6.43	
Moscow / Genesee	5.59-5.93		5.23-5.30	4.91-5.08	6.20-6.31	

Prices at Selected Terminal Markets, cash FOB

Wednesday, October 23, 2019. Barley prices in \$/Cwt. And wheat prices in \$/bu.

	#2 Feed Barley 46 lbs. --	Malting Barley	#1 SWW	#1 HRW 11.5% Protein	#1 DNS 14% Protein	#1 HWW
Portland				5.80-5.90	6.71-6.91	
Ogden	7.80		5.16	4.93	5.47	
Great Falls	4.75-6.50	8.20-8.50		4.33-4.52	5.23-5.55	
Minneapolis						

Market News and Trends This Week

BARLEY—Idaho cash feed barley prices were unchanged for the week ending October 23. Idaho cash malt barley prices were also unchanged for the week. For the period October 11-17, USDA FAS reported no net barley sales for 2019/2020. Barley exports of 900 MT to Japan, down 23 percent from the previous week to Japan.

Barley News—Idaho is one of the top barley and hops producers in the U.S., but just a couple dozen craft breweries existed in the state a decade ago. The number of Idaho craft breweries has tripled since 2008 and Idaho brewers say they could grow more quickly if not for state and federal "sin" taxes on beer. A 2017 federal tax reform that provided some relief for breweries expires at the end of this year if Congress doesn't extend it. Excise taxes made up almost 5%, or \$84 billion, of the government's gross domestic product in 2017, according to the Tax Policy Center. Small craft breweries were cut a break on federal excise taxes in 2017. Congress passed a temporary tax cut on craft beverages, which took effect in 2018, cutting the tax rate in half for the first 60,000 barrels of beer produced annually. Instead of \$7 per barrel (31 gallons), beer was taxed at \$3.50 per barrel on the first 60,000 barrels produced. The federal tax cut is part of the Craft Beverage Modernization and Tax Reform Act, or CBMTRA. If a new bill of the same name, introduced in February in both chambers of Congress, isn't passed by Dec. 31, the federal excise tax will return to its pre-2018 rate. On top of the federal excise tax, Idaho breweries will continue to pay the state's excise tax, which is four times the current federal rate for beer with more than 5% alcohol. Idaho's excise tax on beer is \$4.65 per barrel, which ranks as the 38th lowest in the U.S., according to the Tax Foundation, but there's a catch—in Idaho, beer containing more than 5.1% alcohol by volume is considered "strong beer" and is taxed as wine. Excise tax on wine is about \$14 per barrel, or four times the current federal excise tax.

Market News and Trends This Week—continued

WHEAT—Idaho cash wheat prices were mixed for the week ending October 23. SWW prices ranged from down \$0.20 to up \$0.13 from the previous week; HRW prices were down \$0.20 to up \$0.08; DNS prices were down \$0.10 to up \$0.02; and HWW prices were down \$0.10 to up \$0.01. USDA FAS reported net sales for 2019/2020 for the period October 11-17 at 242,400 MT, down 34 percent from the prior week and 31 percent from the previous 4 week average. Increases were primarily to Mexico (91,900 MT), Japan (38,600 MT), Brazil (32,200 MT), Malaysia (26,000 MT), and the Dominican Republic (22,200 MT). Exports of 497,700 MT were down 3 percent from the previous week and down 4 percent from the prior 4-week average.

Wheat News— Durum production in the U.S. Northern Plains is down from 2018 with a reduction in overall quality due to historic late season rain and snow that also interrupted harvest. Due to the unusual conditions, the entire crop is not represented in this year's data. Buyers should be extra vigilant and evaluate the importance of each factor for their end-use needs. Premium contract specifications will command higher prices, but good value can be obtained with diligent contract specifications. Ample carryover supplies from the excellent quality 2018 crop will be helpful in meeting traditional quality needs of buyers, but some parameters may still prove challenging.

CORN— USDA FAS reported net export sales for 2019/2020 for period October 11-17 of 491,500 MT, increases were primarily to Mexico (347,400 MT), Colombia (99,900 MT), Japan (89,100 MT), Costa Rica (31,600 MT), and Honduras (16,600 MT). Exports of 489,000 MT were to Mexico (209,400 MT), Colombia (175,500 MT), Japan (39,100 MT), Costa Rica (33,200 MT), and Honduras (14,800 MT).

Ethanol corn usage—DOE's Energy Information Agency (EIA) reported ethanol production for the week ending October 18 averaged 996 thousand bbls/day – up 2.57 percent from the previous week but down 2.73 percent from last year. Total ethanol production for the week came in at 6.972 million barrels. Ethanol stocks were 21.364 million bbls on October 18, down 3.16 percent from last week and down 10.60 percent from last year. An estimated 99.77 million bu of corn was used in last week's production bringing this crop year's cumulative corn usage for ethanol production at 671.75 billion bu. Corn used needs to average 105.93 million bu per week to meet USDA estimate of 5.4 billions bu for the crop year.

Futures Market News and Trends—Week Ending October 24, 2019

FUTURES MARKET SETTLEMENT PRICES for the Week Ending Thursday, October 24:

Commodity	Dec 2019	Week Change	Mar 2020	Week Change	May 2020	Week Change	July 2020	Week Change
CHI SRW	\$5.16	-\$0.16¼	\$5.21¼	-\$0.15¾	\$5.26¼	-\$0.15¼	\$5.30¼	-\$0.13¾
KC HRW	\$4.19½	-\$0.14¼	\$4.32¾	-\$0.13¼	\$4.41¾	-\$0.12¾	\$4.50¼	-\$0.12¾
MGE DNS	\$5.40	-\$0.04½	\$5.53¾	-\$0.04½	\$5.62¾	-\$0.04½	\$5.70¼	-\$0.04
CORN	\$3.86¾	-\$0.04¼	\$3.98	-\$0.04¾	\$4.04½	-\$0.05	\$4.10¼	-\$0.05

WHEAT FUTURES—Wheat futures prices were lower for the market week ending October 23. **Wheat futures prices were down \$0.16¼ to down \$0.04 (per bu) compared to the previous week.**

CORN FUTURES—Corn futures prices were down with lower export sales according to the export data from USDA to end the market week October 24. **Corn futures prices ranged from down \$0.05 to down \$0.04½ (per bu) over the previous week.**

CRUDE OIL FUTURES—Crude oil markets chopped back and forth Thursday and Friday after strong gains early in the week. A Goldman Sachs report released this week showed decreasing demand for crude for 2019 and 2020, and with supplies continuing to outpace demand, the pinch of lower oil prices will likely continue. In addition, OPEC members will feel pressure to lower production targets.

EIA reported U.S. crude oil refinery inputs averaged 15.9 million bbls/day during the week ending October 18, 2019 429,000 bbls/day less than last week's average. Refineries operated at 85.2% of capacity last week. As of October 18, there was a decrease in Crude Oil stocks of 1.699 million bbls from last week to 43.151 million bbls, over the 5-year average of 428.951 million bbls. Distillate stocks decreased by 2.715 million bbls to a total of 120.786 million bbls, under the 5-year average of 134.886 million bbls; while gasoline stocks decreased by 3.107 million bbls to 223.094 million bbls, over the 218.799 million bbl 5-year average. The national average retail regular gasoline price was \$2.638 per gallon on October 21, \$0.009 higher than last week's price but \$0.203 under a year ago. The national average retail diesel fuel price was \$3.050 per gallon, down \$0.001 per gallon from last week's level and down \$0.330 from a year ago.

NYMEX Crude Oil Futures finished the week ending Thursday, October 24, 2019 to close at \$56.23/bbl (December contract), up \$2.36 for the week.

USDA Crop Progress / Condition Report—October 21, 2019

Crop	% Progress	Previous Week	Previous Year	5-Year Average	Condition Rating % Good/Excellent	Previous Week	Previous Year
US Winter Wheat Planted	77%	65%	71%	75%	-	-	-
ID Winter Wheat Planted	83%	72%	93%	91%	-	-	-
US Winter Wheat Emerged	53%	41%	52%	53%	-	-	-
ID Winter Wheat Emerged	50%	39%	59%	62%	-	-	-
US Spring Wheat Harvested	96%	94%	100%	100%	-	-	-
ID Spring Wheat Harvested	100%	100%	100%	100%	-	-	-
US Corn Mature	86%	73%	99%	92%	56%	55%	68%
Corn Harvested	30%	22%	48%	36%			

USDA U.S. Crop Weather Highlights—October 24, 2019

West—Record setting heat in California and areas of neighboring states. Cold, snowy weather in the central Rockies. Hot, windy conditions in California are leading to rolling blackout to prevent wildfires.

Plains—Lowland flooding in the eastern Dakotas and environs. On October 20, the topsoil moisture was rated 66% surplus in North Dakota. Significant delays in autumn harvest due to wet fields. Only 9% of the nation's sunflowers had been harvested on October 20, compared to the 5 year average of 27%. Cold conditions over the entire Plains region causing slowed winter wheat emergence and establishment. Snow across portions of the High Plains, especially in southeastern Colorado.

Corn Belt— Cold, breezy conditions. Wet fields slowing harvesting of corn and soybeans across the northern Corn Belt. Some progress being made across the southern tier of the region.

South—Mild, dry conditions, except for rain across the Ozark Plateau. Frost advisories in affect in parts of the southern Appalachians. Dry conditions benefit harvest activities for crops such as cotton (40% harvested vs 35% on average nationally on October 20) and peanuts (67% harvested vs 55% on average).

Outlook for U.S.— A cold front is slowly progressing from the lower Great Lakes region to Texas. Tropical moisture over the Gulf of Mexico will move northward, leading to heavy rain in areas of the South, East, and lower Midwest. Five day rainfall could total 2-5 inches or more from lower Ohio Valley and southward to the central Gulf Coast. Dry conditions during the next 5 day across the soggy north central U.S. Dry weather in the Far West could lead to continued risk of wildfires across California. The NWS 6-10 day outlook for October 29– November 2 calls for below normal temperatures over most of the nation, warmer than normal weather limited to the Atlantic Coast States and the central Pacific Coast. Above normal precipitation across the eastern half of the U.S. Drier than normal conditions across most of the West.

International Crop Weather Highlights—October 22, 2019

Europe— In France, rain eased drought and improved moisture for winter crops. Rain improved soil moisture for winter grain planting in Spain. Heavy rain maintained good moisture supplies for wheat and rapeseed establishment in England. Sunny skies and above normal conditions favored winter crop growth across most of Eastern Europe. Areas of drought linger in the lower Danube River Valley.

Middle East— Light rain across Turkey and northwestern Iran, benefiting topsoil moisture for winter wheat and barley establishment. Showers across Syria and Iraq was the season's first rain for winter crops.

FSU— Sunny skies and warm conditions favored winter wheat establishment , especially in Ukraine where drought was limiting wheat emergence.

Asia— Monsoon showers in the southern region of India benefiting moisture supplies for late season kharif crops and early rabi crop sowing. Cool, dry conditions favor wheat and rapeseed sowing in eastern China. Typhoon Hagibis brought widespread rain to Japan, slowing rice harvesting. Dry conditions in northeastern Thailand favored rice maturation. Heavy rain caused flooding in Vietnam.

Australia—Rain favored immature wheat, barley, and canola in southern parts of the west and southeast. Dry conditions in northern New South Wales spurred harvesting of drought damaged winter crops. Showers brought some drought relief, triggering additional summer crop planting in Queensland.

South America— Much needed showers fell in winter grain areas in Argentina. More rain needed in central Brazil for soybean planting.

Mexico— Rain gave a late season boost to irrigation reserves for winter agriculture.

Canada—A snowstorm in Manitoba delayed the final stages of spring grain and oilseed harvesting. Drier weather elsewhere on the Prairies favored late season fieldwork.